



Overview of Current City Conditions and Strategies for Urban Revitalization

Presented to:

**Virginia Housing Commission
Local Revitalization and
Blight Removal Work Group**

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Virginia First Cities Coalition
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Virginia First Cities Coalition

- Charlottesville
- Danville
- Fredericksburg
- Hampton
- Hopewell
- Lynchburg
- Martinsville
- Newport News
- Norfolk



- Petersburg
- Portsmouth
- Richmond
- Roanoke
- Staunton
- Winchester

Blight Generates Negative Ripple Effects in Neighborhoods and Localities

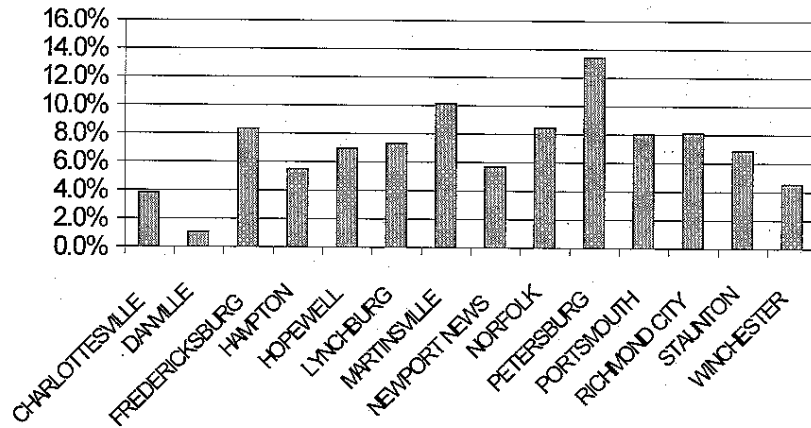
- **Destroys Communities-** Erosion over time
- **Breeds Crime**
Richmond - Vacant Housing #1 indicator of where crime occurs, 2500 Vacant units in 1999
- **Causes Disinvestment**
Property value and condition of adjacent housing declines
Prevents commercial and residential investment because the after construction market value is less than the cost of construction

CITIES HAVE LARGE NUMBERS OF BLIGHTED UNITS

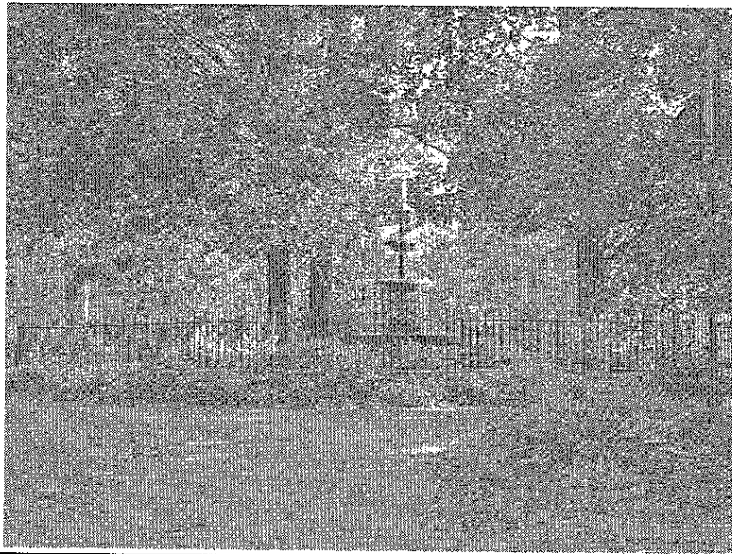
2000 census data

ID	City	Number of Units	Percentage of all units
1	Winchester	586	4.5%
2	Staunton	713	6.8%
3	Richmond	7484	8.1%
4	Portsmouth	3314	8.0%
5	Petersburg	2133	13.4%
6	Norfolk	7924	8.4%
7	Newport News	4205	5.7%
8	Martinsville	729	10.1%
9	Lynchburg	2029	7.3%
10	Hopewell	678	6.9%
11	Hampton	3139	5.5%
12	Fredericksburg	743	8.3%
13	Danville	2418	10.4%
14	Colonial Heights	292	4.0%
15	Charlottesville	669	3.8%

% of Residential Units Unoccupied (2000 U.S. Census)



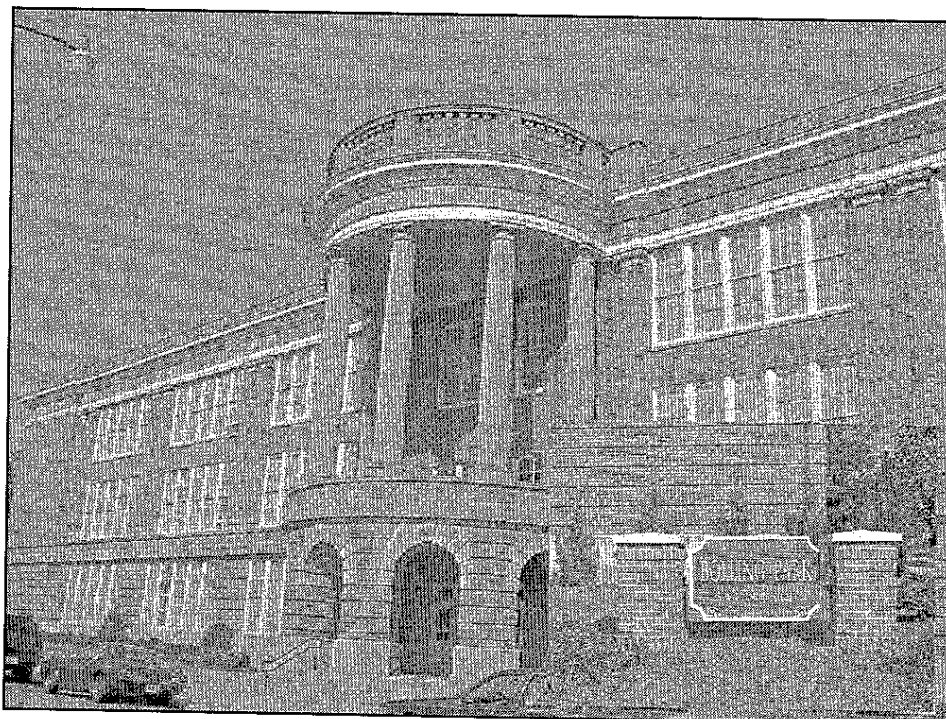
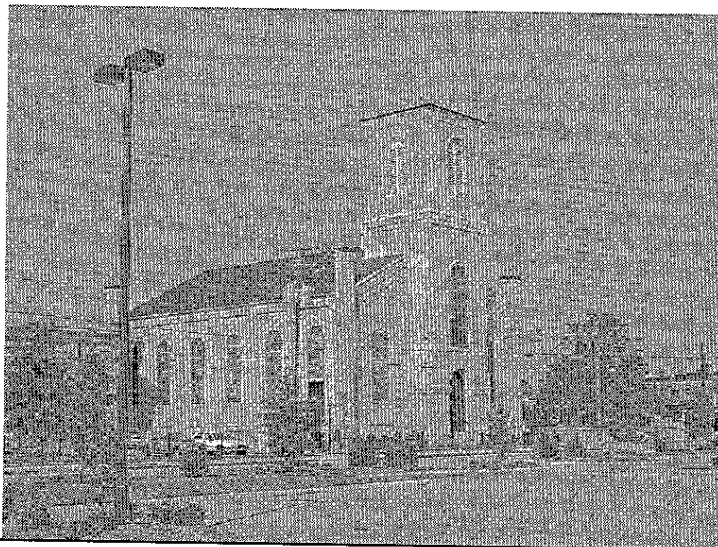
City Blight Examples: Two Block Radius Around Poplar Lawn Park, Petersburg



Historic Renovated Homes

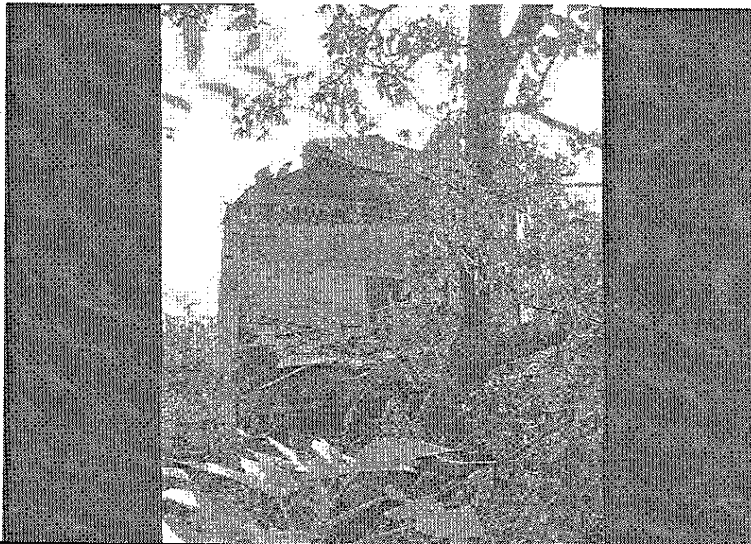


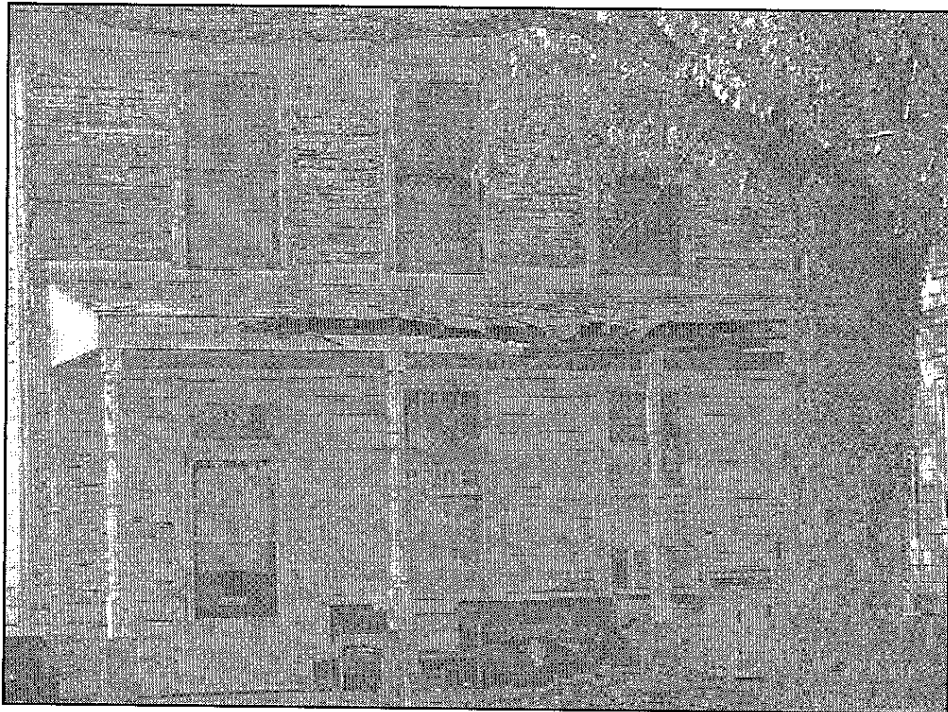
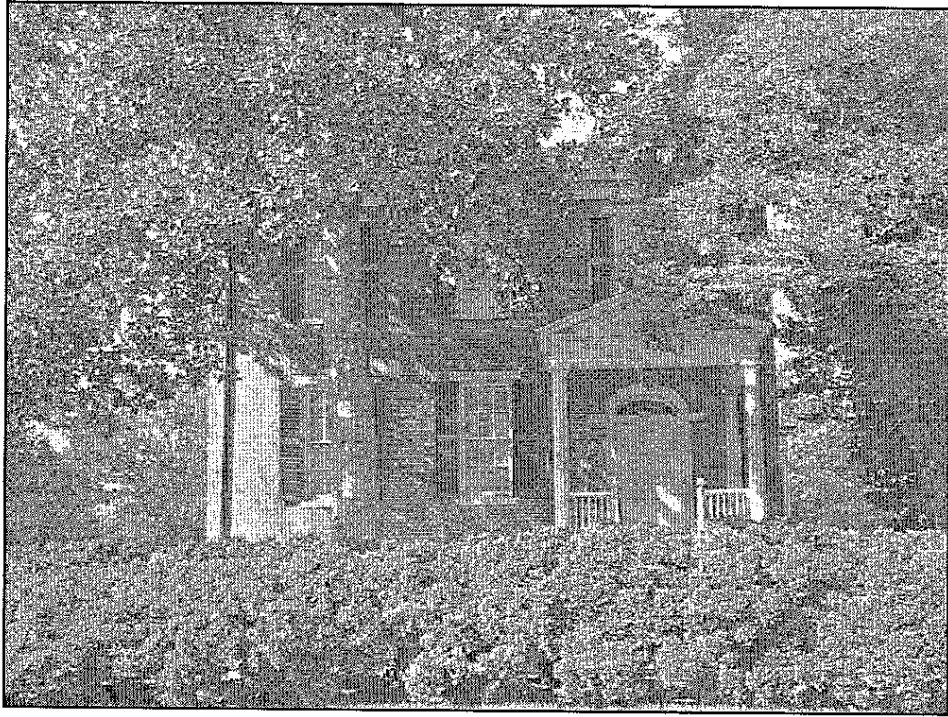
Community Institutions Nearby

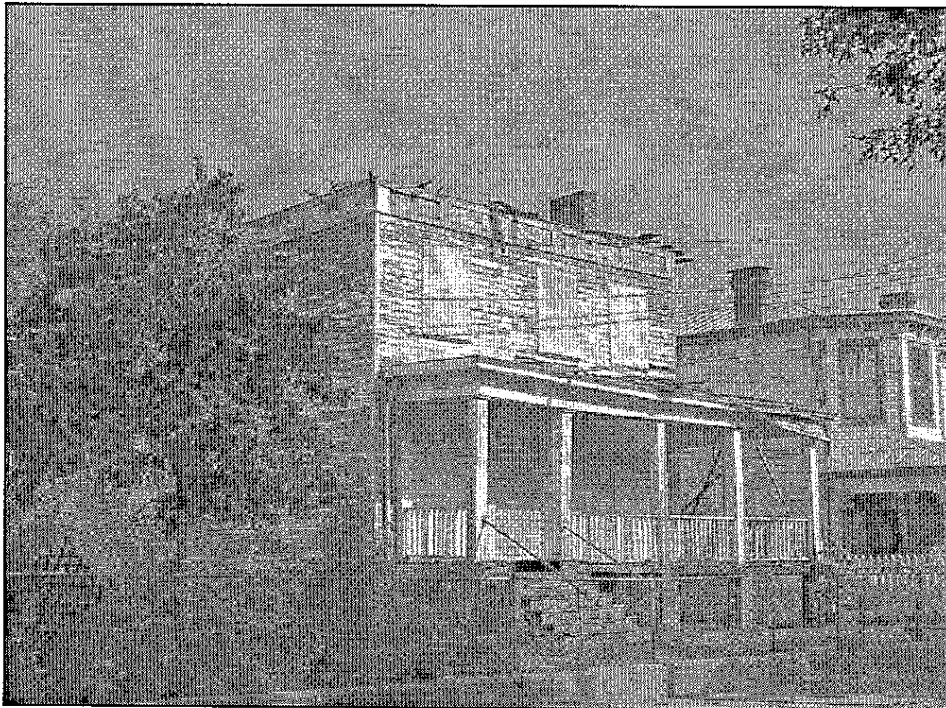




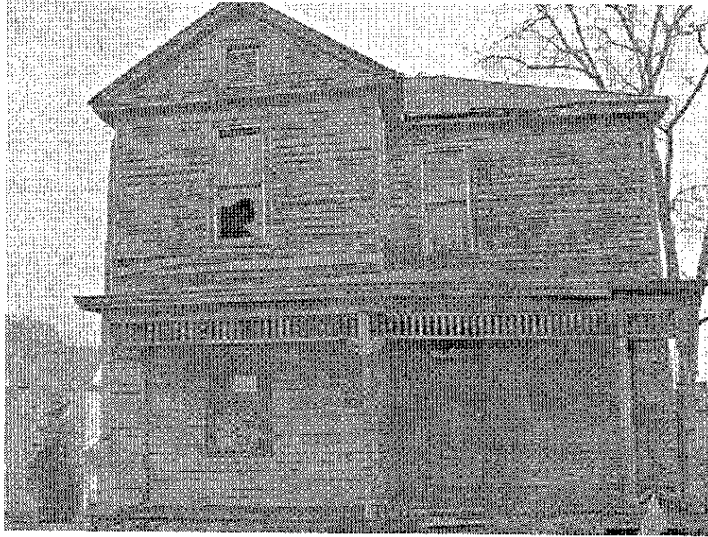
Blight Next Door to Home on Previous Photo







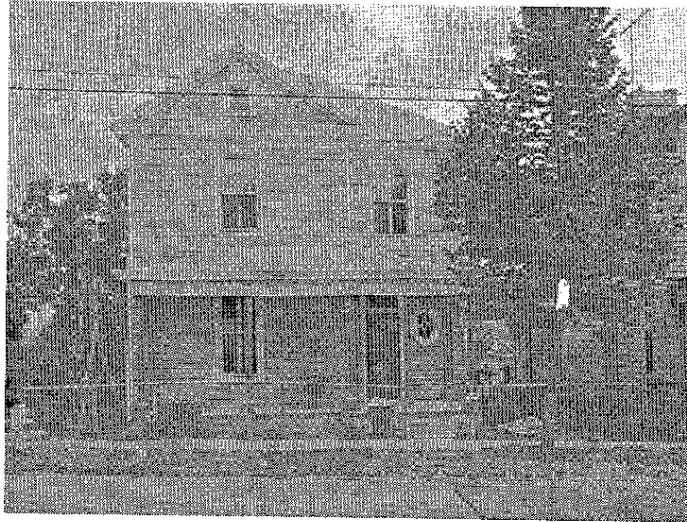
Lynchburg Examples:



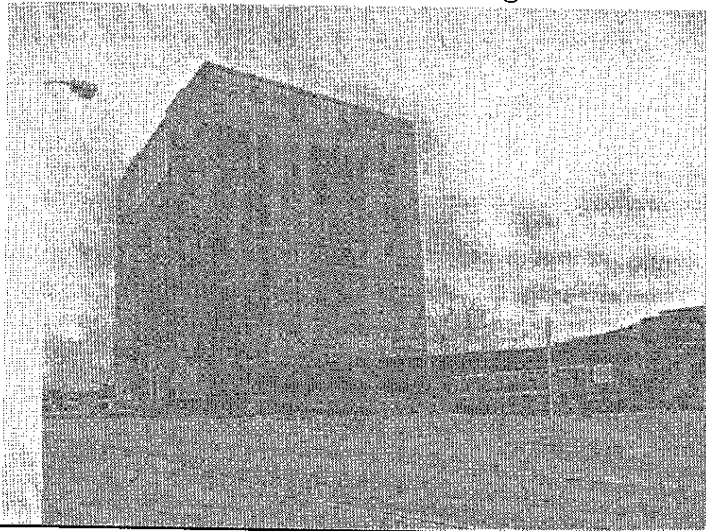
Before

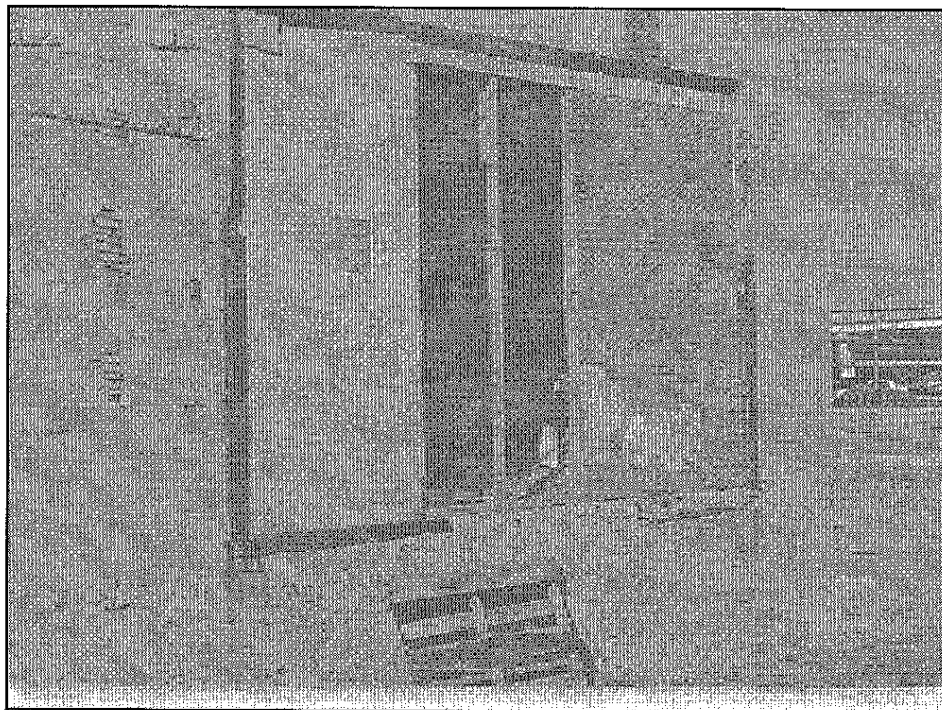


After Renovation

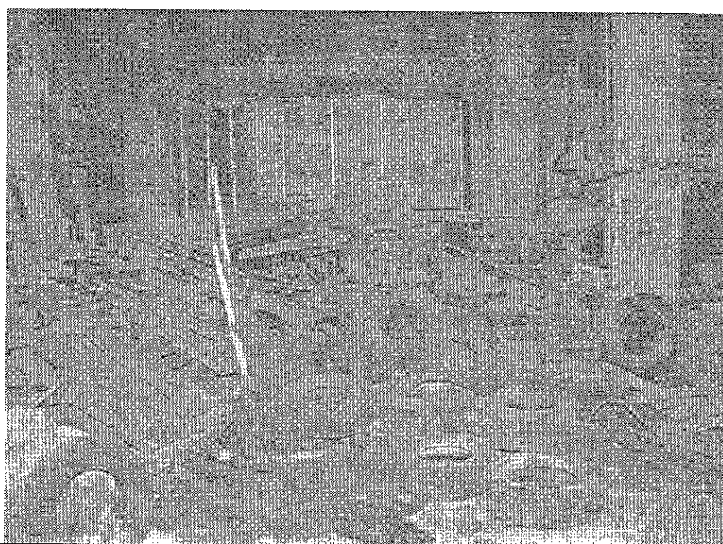


Norfolk Examples: Commercial/Industrial Blight





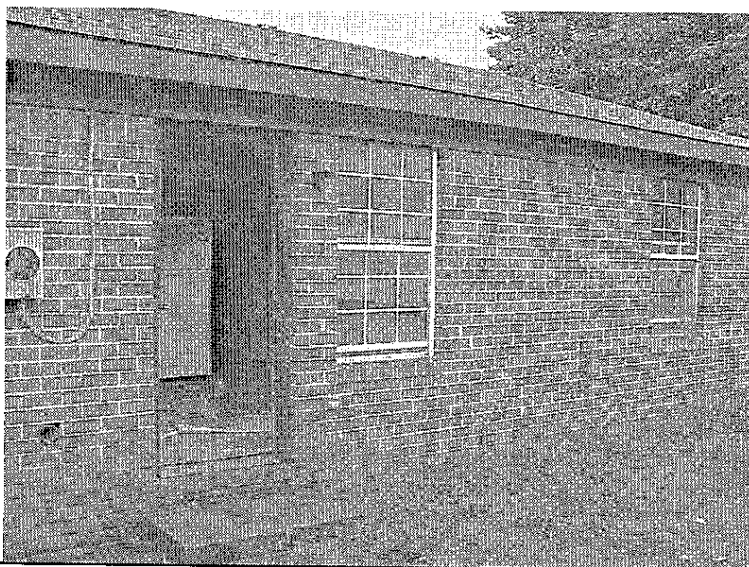
Interior Environmental Hazards



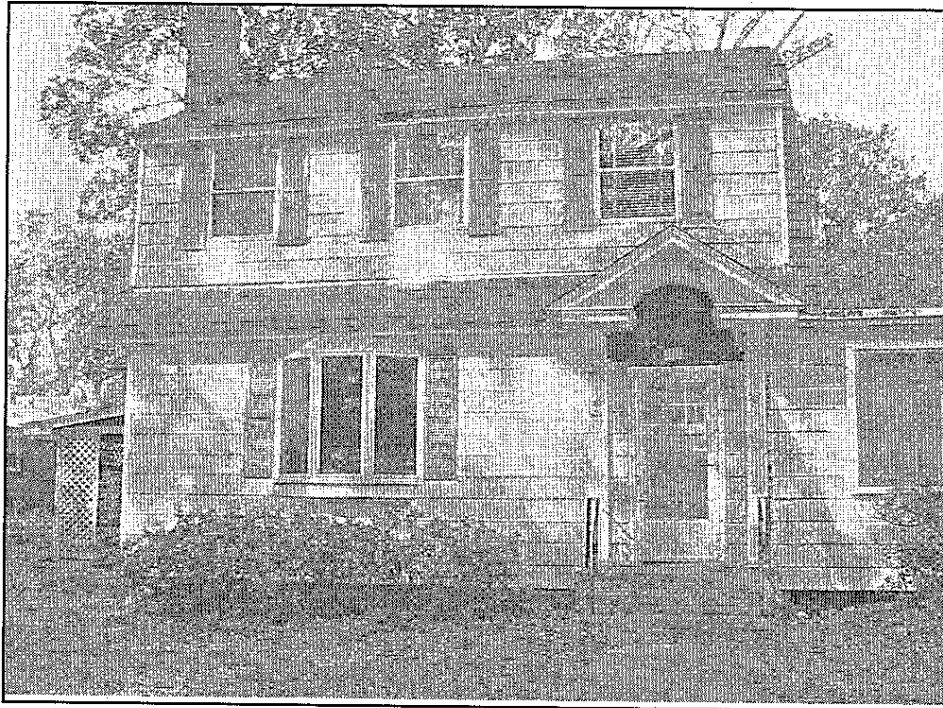
Blight in Neighborhood Waterways



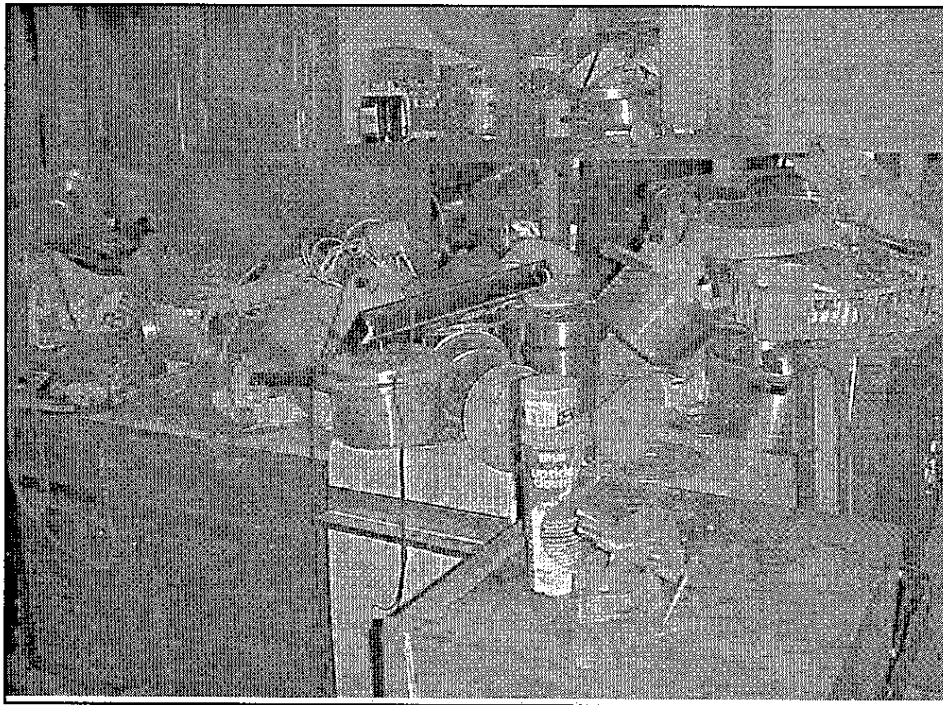
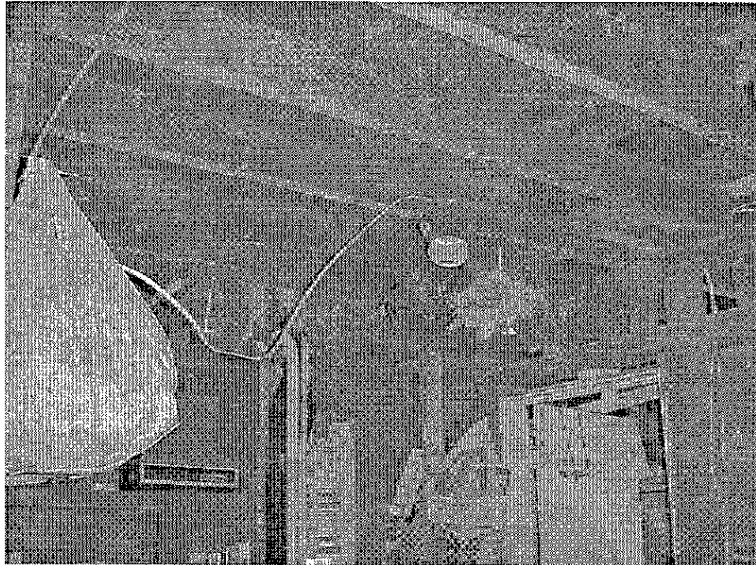
Vacant House



Evidence of Drug Activity



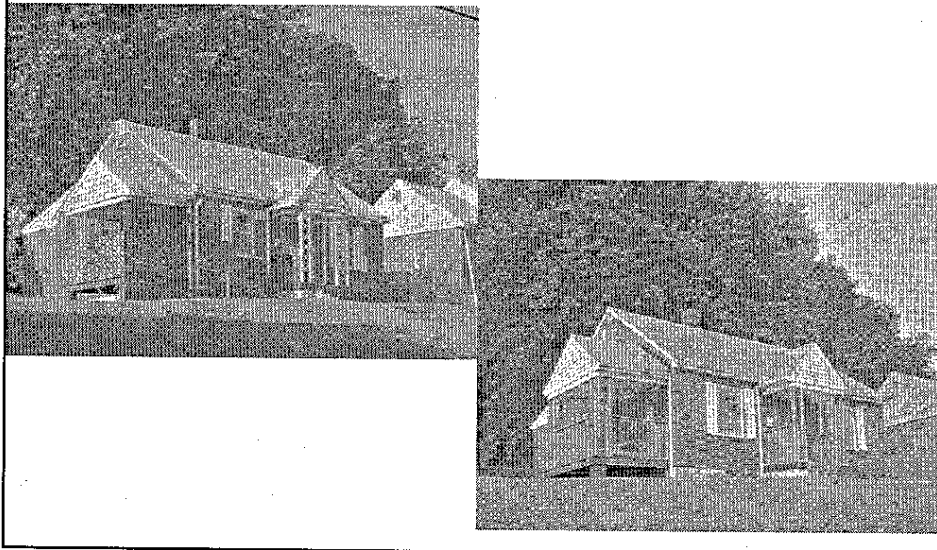
Interior



**Post Renovation:
Now an Asset to Neighborhood**



**Stop Decline Early, Prevent Blight,
Maintain Strong Neighborhoods**



Factors Influencing the Condition of Cities

- **Virginia's core cities:** Concentrations of poor and working poor, lower cost housing, and high rental rates. Heavier reliance on health and welfare services, and public transportation.
- In addition, central cities continue to serve as regional cultural and job centers and thus must provide adequate infrastructure and public amenities.
- 75% of state aid to localities is for education. In core cities, other local budget needs such as law enforcement, health and welfare, and infrastructure consume significant resources but receive very little state assistance.
- **Dillon Rule-** State sets rules
- **Inflexible Boundaries-** Cities cannot grow and can only increase tax base through revitalization

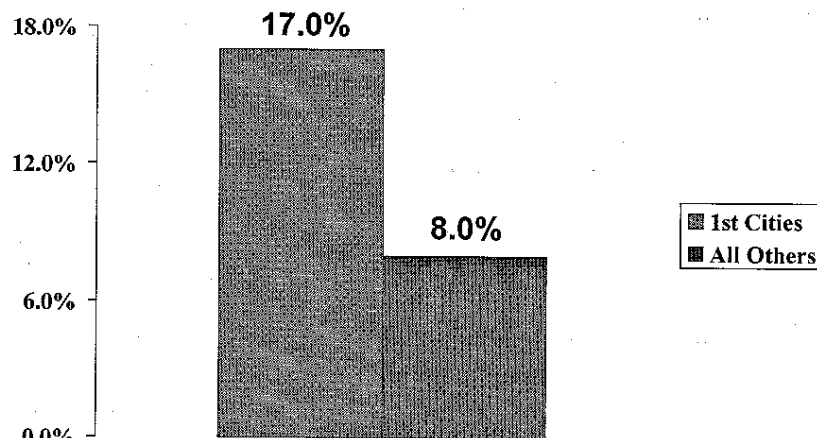
City Conditions Affect Ability to Address Blight

**Demographics
and
Fiscal Condition**

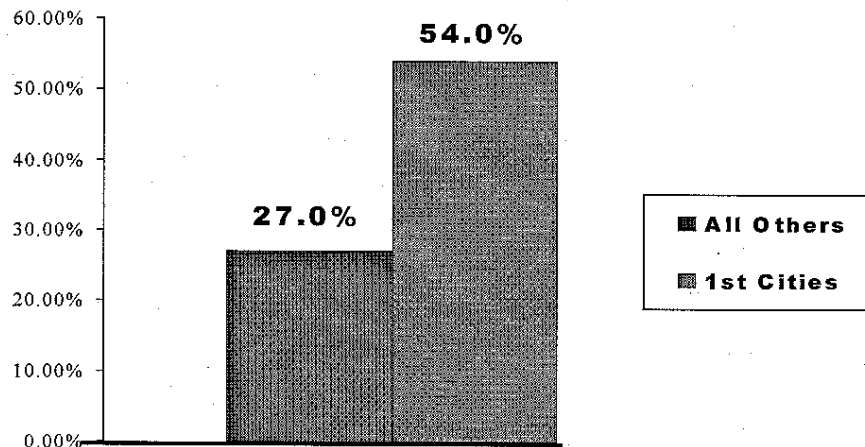
First Cities Reality #1 Costly Demographics

- From 1990-2000, VFC lost 1.5% of population vs. an 18.6% gain in the rest of the state
- 17% of VFC population is poor vs. 8% in rest of the state
- 53% of students on free or reduced lunch vs. 27% in the rest of the state
- 80% higher violent crime rates
- Older, more costly physical infrastructure

% of Population in Poverty



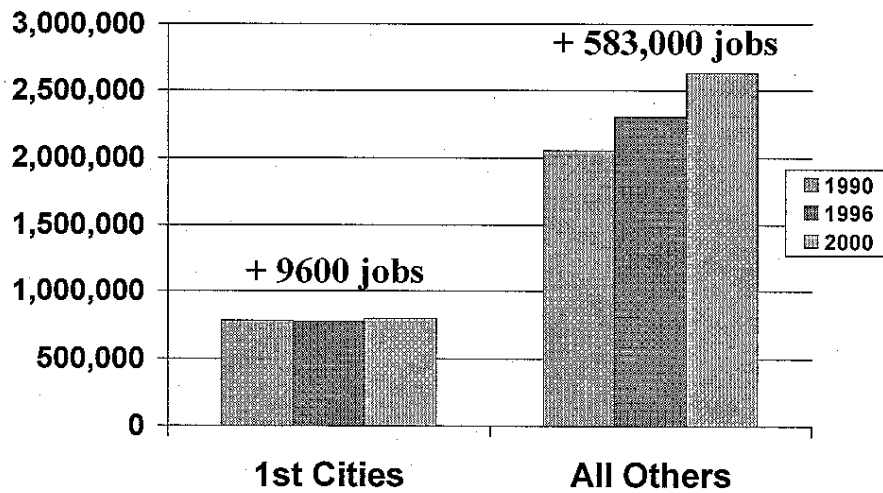
Free and Reduced Lunch



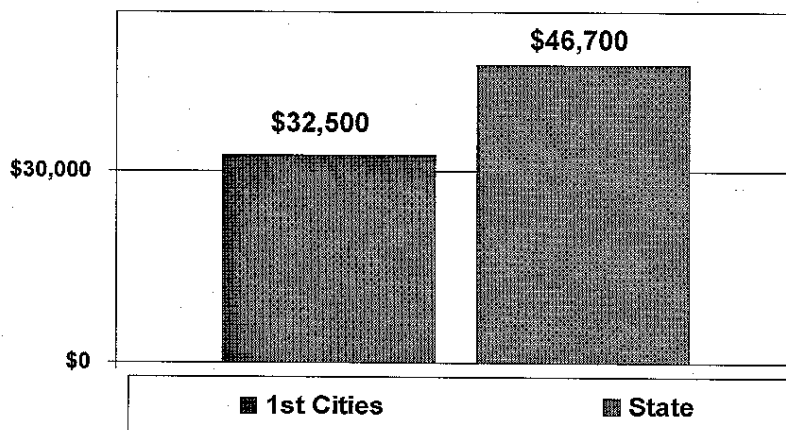
First Cities Reality # 2: Lagging Economic Growth

- From 1990-2000, gained 9600+ jobs vs. 583,000+ in the rest of the state
- Median family income of \$32,500 vs. \$46,700 for the state

Job Growth 1990-2000



Median Income

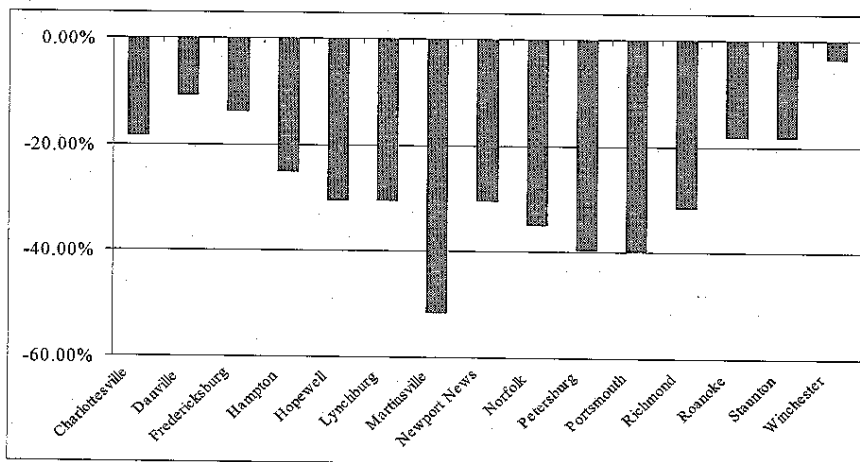


First Cities Reality # 3

Physical Barriers to Growth

- Lack of developable land – No room to grow
- Site assembly difficult and costly
- Blighted land and structures
- Gap between development cost and market value
- Old infrastructure/environmental issues
- Limited funding for redevelopment

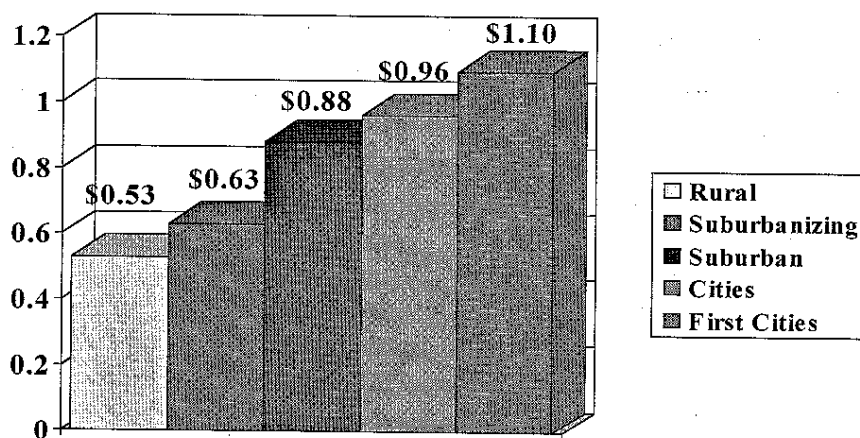
% Change in State Share of Fair Value of Real Estate: 1985-2001



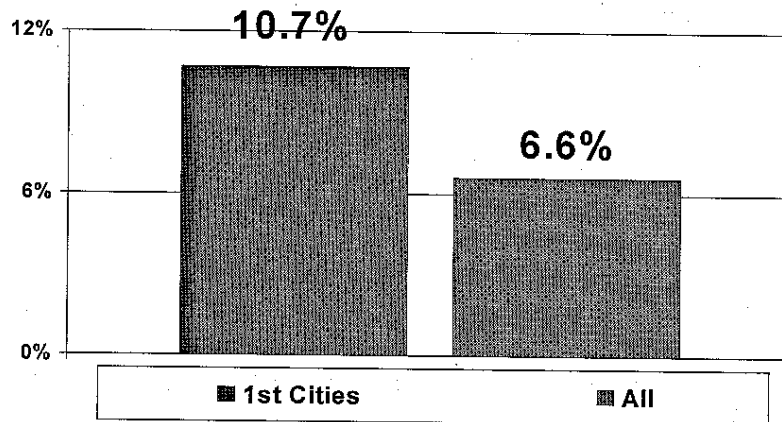
First Cities Reality #4: Fiscal Capacity Limited

- High revenue effort through taxes & fees
- Local tax base too dependent on real estate tax
- State severely limits revenue sources, while state aid is not directed to VFC problems
- State aid for urban revitalization, health and human services, infrastructure, public safety are very limited relative to need

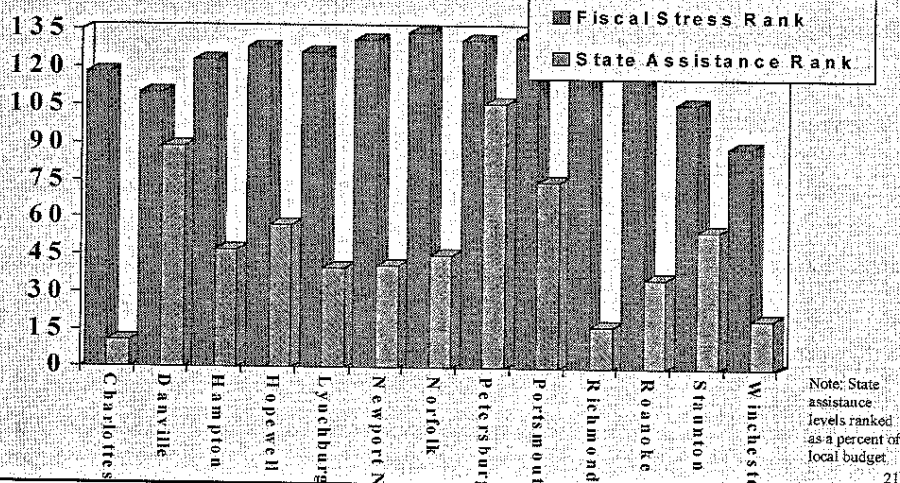
Real Estate Tax Rates



Local Tax Level as a % of Income



Mismatch Between State Aid and Fiscally Stressed Cities



Revitalization Creates Positive Ripple Effect

**STATE-LOCAL PACKAGE
CRITICAL TO REINVESTMENT**

Local Redevelopment Tools

- **Community Development Block Grants + local General Fund Dollars**
 - Purchase, Redevelop, Demolition by locality or Housing Authority
- **Rental Inspection Program** – Purpose safety, health improvements in neighborhoods, stem decline.
- **Rehabilitation Tax Abatement**
 - Richmond example:
 - 2,800 structures receive 15 yr. abatement.
 - 700 million in assess value abated since 1995.
 - Approx. 9.6 million in tax credits.
 - Increased Property Values, Assessments

Local Programs Cont.

- **Historic Districts**

- **Targeted Neighborhood Rehabilitation Programs**

City-neighborhood partnerships, identification, intensive policing, code enforcement to address blight:

- Norfolk PACE program (Police Assisted Community Enforcement)
- Richmond Neighborhoods in Bloom (National Recognition):
 - ✓ In 1999-60% properties in target neighborhoods had building or environmental code violations
 - ✓ 45% vacant, only 26% owner occupied

What Does Virginia Do for Urban Revitalization?

- Enterprise Zones
 - Key component of City revitalization projects
 - Sunsets Jan 1 2005, needs improvement
- Historic Rehabilitation Tax Credits
- Neighborhood Assistance Program
- VHDA Low Income Housing & Tax Credit Programs
- DHCD Housing and Main Street Programs
- DEQ Brownfield “Voluntary Remediation Program”

Virginia Can Do More

Brookings Institute Model Program

- Vacant land and abandoned property inventory
- Brownfield cleanup program
- In-fill directed smart growth strategies: reclaim, reuse
- Targeted use of development authorities
 - Business Improvement Districts
 - Tax Increment Financing
- Enterprise zones focused on blight and vacant properties
- Reformed judicial tax lien foreclosure system
- Authorization for local land banks
 - Non-profit entities that assemble and improve blighted properties enabling easier redevelopment
- Tools for Land Assembly
- Rehabilitation codes

Incentives in Virginia Statute But Not Funded

- Virginia Removal or Rehabilitation of Derelict Structures Fund - § 36-153
- Housing Revitalization Zones - § 36-160
- Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund - § 10.1-1237
- Urban Public Private Partnership Redevelopment Fund

Conclusion

State policies need to recognize that cities vitality is critical to the health of major metropolitan regions

- State policies should encourage reinvestment in cities
- Support regional approaches to problems- affordable housing across regions
- Cities alone should not have to bear disproportionate costs of concentrated low-income populations

State Help Needed to Improve Economic Competitiveness of Core Cities

- Adopt Urban Policy Task Force recommendations
- Increase funding for state programs for blighted commercial or industrial properties
- Increase funding for housing and neighborhood revitalization
- Help with key infrastructure needs

Hold Property Owners Accountable for their Properties

Lynchburg 9th Street Downtown Redevelopment Project

